

Cotton price will remain stable

In a data released by the International Cotton Advisory Committee (ICAC) for the marketing year of 2014-2015, India has beaten China to become the largest producer of cotton in the world. The United States Department of Agriculture has also predicted that India will retain this position for the next cotton season as well by producing 27 percent of the global cotton. Southern India Mills' Association (SIMA) stated that cotton output in all major producing countries in the year, barring India, has been anticipated to be lower than the previous season.

The Cotton Association of India (CAI) has estimated cotton production in 2015-16 to fall to 362 lakh bales of 170 kg each from 382.75 lakh bales in 2014-15, a decline of 5.7 per cent. The CAI has estimated reduction in the production as well as consumption of cotton in the country during the cotton season 2015-16.

Due to the white fly attack in Punjab, Haryana, Rajasthan and inadequate rains in Gujarat, Maharashtra, and Karnataka, the earlier anticipated cotton production for 2015-16 of 390 lakh bales is likely to drop by 10-15 lakh bales. Cotton export stood at 55 lakh bales in 2014-15, against the Cotton Advisory Board's estimate of 70 lakh bales, while it stood at 118 lakh bales in the previous year.

The major cotton growing states in India are Gujarat, Maharashtra, Telengana, Karnataka and Andhra Pradesh contributing the two third of total cotton production. The major cotton growing districts of Tamil Nadu are Dharmapuri, Tiruvannamalai, Vellore, Perambalur, Trichy and Salem. However, the production of cotton has reduced upto 40 per cent compared to last year in Tamil Nadu due to heavy rainfall, pests and disease occurrence.

In Tamil Nadu, the price of good quality long staple cotton in Konganapuram regulated market is ruling around Rs. 6000 per quintal at present. Though the production and arrivals are lower than the last year, the fibre has not realized the expected price due to poor quality moist fibers and the ban on export. In this situation, to advise the farmers on cotton price during harvest, the Back Office of Agro Marketing Intelligence and Business Promotion Centre (AMI &BPC) of Centre for Agricultural and Rural Development Studies (CARDS), Tamil Nadu Agricultural University has analyzed nine year's monthly prices of Konganapuram cotton market and conducted traders survey. The results indicated that, the farm gate price of the long staple summer cotton upon harvest will be around Rs.5500-5800 per quintal during July-Aug 2016. Hence, farmers are advised to take their sowing decisions based on the above price.

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